



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 26, 2007

Patina San Juan, Incorporated
c/o Mr. J. Scott Hall
Miller & Statvert, P.A.
P.O. Box 1986
Santa Fe, New Mexico 87504-1986

Attention: Mr. J. Scott Hall, Attorney

Re: **Rio Bravo "27" Well No. 15**
API No. 30-045-33706
500' FSL & 1800' FEL, Unit O,
Section 27, T-31 North, R-13 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-1256-B

Dear Mr. Hall:

Reference is made to the following:

- (a) your application on behalf of Patina San Juan, Incorporated ("Patina") for a non-standard well location (*administrative application referenece No. pCLP0705843776*) for the Rio Bravo "27" Well No. 15 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on February 23, 2007;
- (b) your amended application dated March 12, 2007; and
- (c) the Division's records pertinent to your request.

Patina requests approval of an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool (Gas – 71629) for its existing Rio Bravo "27" Well No. 15 located 500 feet from the South line and 1800 feet from the East line (Unit O) of Section 27, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico. The S/2 of Section 27 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool.

The Basin-Fruitland Coal Gas Pool is currently governed by special pool rules established by Division Order No. R-8768, as amended. These rules require standard 320-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary.

By Order No. NSL-1256-A dated March 31, 2006, the Division granted Patina authority to drill the Rio Bravo "27" Well No. 15 at an unorthodox gas well location to test the Blanco-Mesaverde and Basin-Dakota Gas Pools. The S/2 of Section 27 was to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for both pools. The unorthodox gas well location for the Rio Bravo "27" Well No. 15 was necessitated by topographic considerations.

It is our understanding that the Rio Bravo "27" Well No. 15 has been completed in the Basin-Dakota Gas Pool, and that Patina now plans to complete the well in the Basin-Fruitland Coal Gas Pool.

Division records show that the Rio Bravo "27" Well No. 15 will be the only well producing from the Basin-Fruitland Coal Gas Pool within the S/2 of Section 27.

The affected offset acreage is the E/2 of Section 34. The applicant stated in its application that Patina operates the affected offset acreage; however, in accordance with Division rules, Patina has notified the non-operating interest owners within the affected offset acreage.

No party has objected to the subject application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Fruitland Coal Gas Pool is hereby approved.

Division Administrative Orders No. NSL-1256 and NSL-1256-A are hereby corrected to show the actual location of the Rio Bravo "27" Well No. 15 to be 500 feet from the South line and 1800 feet from the East line (Unit O) of Section 27.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington